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UNCLAS SECTION 01 OF 04 USOSCE 000258

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FOR EUR/RPM, S/CT, EUR/PGI

E.O. 12958: N/A
TAGS: [PTER](#) [OSCE](#) [PREL](#) [RS](#)
SUBJECT: OSCE PPP CONFERENCE PROVIDES INSIGHT INTO
PARTNERSHIPS AGAINST TERRORISM

Ref: State 62142

¶1. (U) Summary: At the OSCE's May 31-June 1 Conference to promote Public-Private Partnerships (PPP) in countering terrorism, co-initiated by the U.S. and Russia, more than 300 participants from 58 participating States and Partners as well as several international organizations discussed the utility of creating partnerships between the public and private sectors in the fight against terrorism. Participants discussed ways to promote inter-faith dialogue, enhance economic development, protect critical infrastructure, and counter terrorist financing. One recurring theme was the need to establish trust among all shareholders and to treat partners as equals, and not subordinates.

¶2. (SBU) There were several interesting, even provocative, interventions. Ahmed Younis, former member of the Muslim Public Affairs Council and member of the U.S. delegation, contended that efforts by many Western countries to encourage secularism among Muslim youths are often ill-conceived and argued that a better approach would be to use "good theology to fight bad theology." The representative from the Russian Vneshtorgbank noted ongoing efforts between the GOR and major Russian companies to promote economic development in the northern Caucasus. One Russian keynote speaker presented, in essence, a rationalization for curtailing freedom of speech on the Internet (this despite considerable U.S. efforts to avoid addressing Internet-related issues at all during the conference). On the other hand, Jan Mares from the Department of Homeland Security (DHS) outlined recent U.S. efforts to establish PPPs in 17 sectors ranging from agriculture to telecommunications, while one keynote speaker from a Belgian bank complained about the frustrating lack of feedback from the Belgian government on efforts to cut off terrorist financing. While many of the issues (such as human rights and terrorist financing) have been covered by the OSCE in other fora, the conference did put PPPs on the radar screen for many States while providing useful background on how successful partnerships can increase security. End summary

Opening Session

¶3. (U) Russian Special Representative on CT Issues Anatoliy Safonov noted the importance of the conference as it was the first time that such a "tri-partite approach" of governments, private sector and NGOs had been encouraged to combat terrorism. He noted the preparations, in consultation with the U.S. and the OSCE, had taken a year,. Governments and others needed to create their own "ecospheres" where freedom and tolerance could thrive and to counter extremist ideology. He underscored the fact that so much attention had been focused on where U.S.-Russian relations had problems but the close cooperation on CT issues showed how well the two sides could and do work together.

14. (U) U.S. Head of Delegation, Acting S/CT Frank Urbancic, endorsed Safonov's comments on the importance of the conference and noted that the PPP concept had been explored in the G-8 and elsewhere in a limited manner. Though states have done much to combat terrorist financing and strengthen borders, terrorist groups like al-Qaida have been able to adapt and exploit weaknesses, such as using the Internet to train, recruit and raise funds. The approach to combating terror has to be at global, national and local levels. Technology has been a two-edged sword, improving connectivity for the common citizens but also for extremists. Businesses, youth groups, women's organizations all have a role to play in empowering the disenfranchised.

Addressing Underlying Economic Factors

15. (U) Aleksey Yeroshkin, Senior VP at Vneshtorgbank, said that while international terrorist groups have some USD 20 billion at their disposal, World Bank reports indicate that two-thirds of the countries in the world have seen a rise in poverty and often a concomitant rise in extremism. This showed the need for the private sector, encouraged by government tax breaks, to help invest in distressed areas,. Companies have an incentive in rooting out global threats that could undermine their operations. In Russia, the major focus has been to encourage regional development with the hope that the foundation for extremism will dry up. To that end, a private-state initiative has been set up, with support from Gazprom and others, to fund projects in the Caucasus, including Chechnya, where social and civil structures need to be restored. He also noted that in attacks since 9/11, the Dow and other markets have lost only one percent of value, which seems to indicate that companies have begun to take terrorism into account in their long-run calculations; however, he urged that we should never get used to the threat of terrorism.

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16. (U) Rachel Briggs, from the British NGO DEMOS, said post-9/11 governments committed the typical "deer in the headlights" mistake of focusing on global dynamics, which paralyzed people and monopolized attention, while ignoring the community level. She said that for a few individuals, terrorism is a "rational choice;" the goal for society should be to alter that calculus, to drive a wedge between the "good guys" and the extremists. Instead, governments often drive a wedge between Muslim communities and the rest of society. This was short-sighted as Muslim communities can be an important source of intelligence and can help divert youth from extremism. She noted that partnership is not a low-risk strategy as governments can often be accused of "appeasement," while local communities may be wary of being co-opted. Partnerships have to be equal; governments cannot always be in the lead. She noted it took the UK 30 years of fighting in Northern Ireland to learn that "the hardware is not effective without the software."

17. (U) Not surprisingly, many participants took issue with the statement that marginalized populations were more vulnerable to turn to extremism. Armenian Ambassador Tabibian noted Bin Laden and other terrorists were not only middle class, if not rich, but also highly educated. Moreover, there is little in common between the Oklahoma City bombings, carried out by white Midwesterners, and the London Tube bombings, done by the sons of immigrants. The only commonalities are anger, a sense of powerlessness and the desire to right some perceived wrong. Uzbek Ambassador Usupov said "Londonistan," known for its prosperity and tolerance, now faces homegrown extremists and noted that HMG has taken no actions against Hizb ut-Tahrir, viewed as a terrorist group by Central Asian states. The Organization of the Islamic Conference (OIC) representative said big business is often suspect as it can be seen as a key exploiter of labor in many countries. He also stressed that there is no such thing as "Islamic terrorism," rather terrorist acts carried out by people who purport to be Islamic, as the religion itself upholds moderation, tolerance and diversity as core values and condemns all forms of violence against civilians.

Promoting Tolerance and Inter-faith Dialogue

¶8. (U) During the second session, with EUR/FO Farah Pandith as moderator, Mark Tverdnyin of the Russian Association of Electronic Communications (RAEC) noted the growing threat of terrorist propaganda by groups like al-Qaida on the Internet given its wide distribution, low cost and ease of use. To counter this, Russia introduced the Antiterrorist Convention, a set of voluntary rules for journalists covering terrorist acts and the topic of terrorism. The GOR has focused on shutting down terrorist sites; hotlines have been set up to alert police to suspicious sites. He noted that technical devices and filters are being used to block such sites at schools and elsewhere. The GOR has encouraged businesses to provide grants and financing to promote tolerance over the Internet. It has also created RUnet and other sites to provide news, research materials on CT issues, and recommendations on what to do in case of a terrorist act. This partnership, however, needs to be increased, to include "support of self-regulation" on the Internet, "reorienting Internet-ethics of users" to respecting the rights of others; and encouraging the private sector to provide more financial support.

¶9. (SBU) Comment: For months, USOSCE stressed to the Russian delegation that any discussion of curtailing First Amendment rights, such as its "clean the Net" initiatives, would cross USG redlines. The GOR eventually said it would accept limited discussion of the Internet as part of critical infrastructure. It then ignored U.S. concerns and made its points anyway. After the presentations, HOD Urbancic took the floor to briefly stress the importance of the COE Convention on Cybercrime, as that outlines how to deal with terrorism on the Internet. End Comment.

¶10. (U) Ahmed Younis, author, former member of the Muslim Public Action Committee and member of the U.S. del, said it was important for young Muslims to be able to fully integrate into society, otherwise they will be more prone to recruitment by extremists. For this reason, it is critical for European countries to openly discuss their concept of national identity and how Muslims integrate into societies. Moderate voices also need to come forward and speak out against extremism as Muslims must be at the forefront of any effort to combat extremism. He said the private sector can also play a role by providing support, helping disseminate this message. It is wrong to believe that the more deeply religious a person, the greater his vulnerability to extremism. Many societies are plagued by "imported imams" or "uneducated street preachers" who are able to make inroads with youths with false teachings of Islam. Younis contended that "bad theology" can only be fought with "good

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theology" -- not by goading people to become secularized -- and called for increased efforts to educate and train local religious leaders, though this process could take decades.

¶11. (U) There was considerable interest by other participants in making comments. The International Federation of Human Rights (FIDH) welcomed efforts to bring civil society to work with governments against terrorism and said NGOs had expertise to monitor PPP activities. However, there is a need for corporate social responsibility and international standards. FIDH believes the OSCE should encourage NGO monitoring of PPPs. OIC stated its support for PPPs and agreed with the importance of full integration of Muslim communities into European societies and the need to avoid any reference to a "clash of civilizations." Egypt endorsed Younis' comments, contending that extremist thought can only be tackled by real imams who preach the message of Islam as a religion of peace. There have also been some terrorists who have renounced their ways publicly, which has helped bolster moderate voices.

Critical Infrastructure Protection (CIP)

¶12. (U) The third session impressed most participants with its thoroughness and its practical recommendations. Keynote speaker Trefor Munn-Venn, Associate Director of the Conference Board of Canada, a think tank, noted that PPPs to protect critical infrastructure are vital since up to 85 percent is either owned or operated by the private sector. He noted PPPs can be used in

response to terrorist attacks and to natural disasters and differentiated between risk management (e.g., dealing with hurricane seasons in south Florida) and the much more difficult task of uncertainty management (where no likelihood of an event can be established, such as a terrorist attack at a shopping mall). He listed six key principles of successful PPPs:

- Cooperation and coordination: Actors need to work together towards a common goal without duplication or gaps. An obvious point, but as shown during Hurricane Katrina, not often followed.
- Mandates and resources must be established and coordinated with all actors. Organizations often assume mandates during a crisis when they do not have one.
- Clear, frequent and credible communication: This fosters trust and the sharing of information, providing the foundation for a lasting relationship and helps reassure the public during a crisis.
- Fairness: All stakeholders must be treated fairly. The allocation of scarce resources must be discussed and decided upon before a crisis occurs, e.g., who gets Tamiflu in a pandemic. The elderly? First-responders? What about first-responders from another country coming to help?
- Continuous learning: Experience should lead to refinements in our procedures and actions. We should share our experiences - both positive and negative - with each other in order to speed up the learning process.
- Leadership/ Accountability: While you cannot control what happens, you can control how you respond. The quality of leadership during a crisis can have a long-lasting impact on the ability of a company or a city to recover.

All of these principles take time - and training - to develop. Munn-Venn argued that it is critical for governments to begin creating partnerships before a crisis occurs. He urged participants to take best practices a step further and identify "next practices" - the practices that will be important in five or ten years from now.

¶13. (U) U.S. keynote speaker Jan Mares from DHS observed that PPPs are an important tool in preventing, protecting against or preparing for terrorist attacks and enhancing a nation's resilience. PPPs should not be viewed as a means to shift a public burden to the private sector. In fact, successful PPPs provide benefits to all parties, and speed recovery from disasters. Mares cited several examples of the Critical Infrastructure Sector Coordinating Councils set up through DHS. They are divided into 17 sectors, ranging from telecommunications, food/agriculture, transportation, and commercial facilities. National Infrastructure Protection Plans have been developed by the USG in conjunction with the private sector on a voluntary basis for each sector. The various sectors then designed specific plans that assess risks, define appropriate protective measures and establish the boundaries, membership and governance for their sectors. Mares concluded that for PPPs to be successful, they must have "champions" from both the public and private sectors, and there has to be a "business case" or "value proposition" to make the partnership attractive to the private sector.

¶14. (SBU) The third keynoter, Bernard Boube, Director of the State
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Protection and Security Department, gave details on the French approach, which made clear that France takes a very rigid top-down approach that provides little opportunity for the private sector to influence policy or activities.

¶15. (U) In the discussion that followed, a representative from the UN Interregional Crime and Justice Research Institute (UNICRI) provided information on its initiatives to enhance PPPs, such as collecting data, which will be used to identify barriers to cooperation between sectors, and elaborating practices, protocols and guidelines to assist States in developing PPPs. Estonia focused on the extensive cyber attacks that it had experienced over the past few weeks and said it was able to handle the attacks due to existing PPPs, but argued that more international cooperation is needed on cyber terrorism. Sweden raised the issue of electromagnetic terrorism and said it is currently conducting a PPP pre-study, with

Saab and others, possibly to establish a research center in the near future.

Countering Terrorist Financing

¶16. (U) Panelist Bob Upton from Lloyds Bank said banks have worked closely to increase security measures and to report any suspicious transactions. His lessons learned: Sanctions and unofficial lists are of limited values because of Arabic name transliteration and lack of specific personal information (such as DPOB). Data mining has shown that financially, most terrorists do not exhibit anything unusual: they have checking and savings accounts and usually do not transfer large amounts of money. His major conclusion was that the banking sector needs to have some "nugget of intelligence" from governments so it can look for someone in particular, rather than studying transactions in general.

¶17. (U) Bruno van den Meerschaut, Chief Money Laundering Officer for KBC Bank, said one of his main incentives was to keep the bank's name out of news reports linked to money laundering, as happened a few years ago. He complained that despite considerable efforts made by the bank over the past few years, they have never received any feedback whatsoever from the Belgian Financial Terrorism Unit and thus have no idea of whether their efforts were useful. Repeating a theme that ran throughout the conference, he urged governments to consider banks as equal partners.

¶18. (U) Aleksandr Pirilegin from the Russian firm Norilsk Nickel observed that during the Russian G-8 Presidency, they outlined the risks of the illegal sale by terrorists of precious metals, such as gold and platinum. He advocated the introduction of customs declarations and import controls, similar to unprocessed diamonds and asked that the OSCE support such measures.

¶19. (SBU) Comment: While many of the issues (such as human rights and terrorist financing) have been covered by the OSCE in other fora, the conference did put PPPs on the radar screen of many States for the first time. Session 3 on CIP gave a great deal of good, practical information, an area that perhaps could be expanded in the future, as the presentation by the French shows how even many Western European countries do not fully grasp the PPP concept. Moreover, the conference was greatly praised by Russian FM Lavrov during his visit here and repeatedly by Russian Ambassador Borodavkin in several PC interventions. The Russian mission here is already pushing for follow-up activities. End comment